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September 3, 2004

To: Supervisor Don Knabe, Chairman
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Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Dr. Thomas L. Garthwaite
Director and Chief Medical Officer
Department of Health Services

**CAPITAL PROJECT TO ESTABLISH AN ISOLATION UNIT AT RANCHO
LOS AMIGOS NATIONAL REHABILITATION CENTER**

On August 24, 2004, your Board requested background information on the development of the recommendations that were presented to your Board regarding the establishment of a capital project for an isolation/tuberculosis unit at one of the Department of Health Services (DHS) facilities.

The issue was initially presented your Board in a triple signature letter on Department of Public Works' (DPW) letterhead due to DPW's role in managing delivery of the proposed renovations. In response to policy issues that were raised regarding the proposed project, the Chief Administrative Office (CAO) and DHS presented revised recommendations to encumber the federal grant funds and defer project specific decisions to a future Board agenda.

Need for Tuberculosis Isolation Beds

Tuberculosis patients were previously treated and housed at High Desert Hospital, which operated an inpatient, skilled nursing level, tuberculosis unit. Because the average daily census in the tuberculosis ward was below 10 patients, the costs associated with maintaining the hospital solely for this purpose, combined with insufficient revenues, was prohibitive. Since the closure of High Desert Hospital, these patients have been

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subsequently placed throughout hospitals in the DHS system. Proper accommodation of these patients, most of whom are not acutely ill, and maintaining the necessary separation from other patients has been difficult in an acute care setting.

Amended Use of Bioterrorism Grant

In July 2003, your Board approved DHS' submission of grants related to bioterrorism preparedness to the federal Centers for Disease Control and Prevention (CDC) and Health Resources Service Administration (HRSA). Contained in these applications was a commitment by DHS to increase negative air flow/isolation bed capacity by 20 beds within County facilities to support response to a bioterrorism event, such as a smallpox outbreak.

Given that the majority of the time these new isolation beds would be vacant, DHS Public Health requested, and the CDC agreed that: 1) these beds could be alternatively used to house multi-drug resistant tuberculosis patients who require full-time monitoring of their care; and 2) that the tuberculosis patients would be shifted to other facilities in the event of a bioterrorism event.

Use of funds under the bioterrorism grant, however, is restricted to renovation activities and cannot be utilized for new construction. Further, such funds must be expended by November 2005.

Site Review

The requirements of the bioterrorism grant, combined with the need to isolate the tuberculosis patients while providing access to an outdoor area, effectively reduced the number of feasible sites for a tuberculosis isolation unit to DHS facilities that were vacant, licensed, and adjacent to a secure, outdoor area.

In the fall of 2003, DHS identified a vacant wing on the sixth floor of the Olive View-UCLA Medical Center as the preferred site for this new unit. In early 2004, my office advised DHS that this location was not feasible for the following reasons:

- The sixth floor, while vacant, was necessary to provide temporary space for hospital functions and activities that were dislocated as part of the seismic retrofit required under SB1953.
- The logistical and operational difficulty of any renovation within a 24-hour acute care hospital would preclude completion of the unit by the November 2005 deadline.

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- The need to provide access to an outdoor area from the sixth floor would require the design and construction of a six story, exterior elevator, which would be cost prohibitive.

It was determined that a more appropriate project at Olive View would be to add a specifically-built isolation unit to the new emergency room project that was being developed for this facility. By including it in the new construction project, this ward could be built specifically to meet both the need for tuberculosis beds and to meet the emergent needs associated with a bioterrorism event in that it would be adjacent to the new emergency room facility.

The restriction of the bioterrorism grant funds to renovation activities, however, precluded their use on the proposed emergency room/isolation unit project. Additionally, the emergency room/isolation unit project, if approved by your Board, would not be completed until sometime in late 2008, well beyond the deadline of the federal grants.

In an attempt to address the needs of the tuberculosis patients on an interim basis, DHS and my office discussed facilities that could be renovated by November 2005. A review of the hospital sites determined that renovation of the 703 Building at the Rancho Los Amigos National Rehabilitation Center would meet the grant and patient requirements and was feasible. The building is currently vacant, but remains licensed. It is a single story building, which simplifies the renovation and provides direct access to a secure outdoor area. In addition, the renovation project or use of the facility was not expected to impact current privatization efforts, since the use of this facility was deemed to be an interim solution until the Olive View project was completed in 2008.

Communication with Your Board

It is now clear that the scope and intent of this project was not appropriately communicated to your Board. Sufficient background information was not provided as to the need or purpose of this initiative to allow for a thorough consideration by your offices. In this case, the lead program office – Public Health – failed to follow DHS policy to ensure Board offices are appropriately informed of projects that may affect their district. DHS has since sent a communication to all managers reiterating this policy.

Use of Measure B Funds

The recommendation to utilize Measure B funds to offset the difference in cost between the federal grant amounts and the total project cost was contained in a Bioterrorism (BT) Preparedness briefing package submitted to your offices by DHS in August 2003. This package was part of a presentation which outlined recommendations for allocation of both

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federal CDC/HRSA and County resources, specifically Measure B, to support DHS Public Health BT Preparedness activities. On the basis of these DHS recommendations and our subsequent review of them for consistency with Measure B provisions, \$4.7 million of Measure B funds were included in the 2004-05 Adopted Budget for Public Health BT activities, including \$1.7 million in one-time funds to develop the isolation unit. My office approved the DHS request to include Measure B funds to support this capital project, based on this August 2003 BT Plan and the allocation of Measure B funds included in the 2004-05 Adopted Budget for this purpose.

DHS is working with my office to identify an appropriate use for the grant funds within the federal requirements. If such a programmatic use cannot be identified, the funds will be returned to the federal government in accordance to the terms of the grants. My office and DHS will be reporting back to your Board within 60 days as to the final disposition on this matter.

Please let me know if you have any questions.

DEJ:JSE
DJT:i/h

c: Executive Officer, Board of Supervisors
County Counsel
Department of Public Works